

GLOBAL CONNECTIVITY STRATEGIC GOAL

*“Facilitate an international transportation system
that promotes economic growth and development”*

OUTCOMES

1. Reduced barriers to trade in transportation goods and services
2. Safer, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains
3. Sustained international leadership in promoting U.S. transportation policies
4. Enhanced competitiveness of U.S. transport providers and manufacturers, in the global marketplace
5. Harmonized and standardized regulatory and facilitation requirements in the international arena
6. Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses.

STRATEGIES

Our Nation’s prosperity relies on access to foreign markets, and access requires efficient and competitive global transportation networks. In 2005, the travel and tourism industry contributed \$1 trillion to the U.S. economy. Exports of goods and services are responsible for as much as 30 percent of U.S. economic growth, and millions of jobs depend on selling goods and services abroad. On average, these jobs pay 13 to 18 percent more than the national average.

International trade in transportation goods and services continues to play an increasingly important role in the Nation’s economic well-being. In 2004, the U.S. traded \$329.9 billion in transportation goods and \$133.5 billion in transportation services. Over 1.9 billion tons of international freight, valued at \$2.3 trillion, moved to and from the U.S. in 2004. Over 24 million containers were transported into the U.S. in 2004, 10 million by ocean vessels and 14 million by truck and rail from Canada and Mexico, illustrating the challenge of maintaining transportation security while facilitating efficient freight flows. Further, 338 million inbound and outbound trips were made between the U.S. and other countries in 2004, compared to 315 million trips in 1990, with same-day travel between the U.S. and Canada or Mexico accounting for the majority of these trips. International

freight volumes at these levels represent a significant source of stress on our domestic transportation system.

The globalization of the American economy has put pressure on our ports, borders, and airports. Many of the Nation's most important infrastructure facilities (truck terminals, port facilities, rail yards, and airports) are located in major urban areas. When combined with growing local traffic volumes, greater volumes of international freight and passenger traffic will result in more congestion and delay and, as a result, higher shipping and travel costs.

Continued restrictions that prevent access to foreign markets for transportation services are harmful to U.S. commercial interests. Unless new technologies and operating procedures are adopted, heightened security requirements will increase transit times for passenger and freight movements, which would result in higher operating costs for transportation operators and higher costs for U.S. shippers and the traveling public. Higher transportation costs would make it more difficult for U.S. business to compete in international markets.

To improve the safety, security, and efficiency of international transportation systems and the Nation's gateways, we will liberalize transportation markets; expand the capacity of our freight and passenger transportation systems; improve intermodal connections; ensure that new technologies, procedures, and infrastructure improvements are adopted; and practice positive engagement with foreign partners to improve system linkages on both the foreign and domestic sectors of the transportation chain.

Our strategies to address international transportation issues and networks in the global economy have two synergistic thrusts. One is directed toward opening international transportation markets; the other is directed toward improving essential, intermodal transportation linkages. Both are needed to achieve outcomes that will yield better global connectivity and a more competitive and efficient global marketplace. Adopting a coordinated and strategic domestic and international intermodal approach is central to DOT's role of promoting more efficient international transportation systems and improved global connectivity.

RESOURCES

The human resources, programs, capital assets, information technology and other resources described in DOT's Annual Performance Budgets are needed to achieve our outcomes for global connectivity and to execute the strategies presented below. The schedule for executing our global connectivity strategies extends from fiscal 2006 through fiscal 2011.

STRATEGIES FOR OPENING INTERNATIONAL MARKETS

1. Through negotiations and other means work with our trading partners to seek further liberalization of international transportation markets. (Supports outcome 1)

2. Participate bilaterally, regionally or in international organizations at the ministerial and working levels to advocate worldwide adoption of harmonized standards and regulations and to promote improved global safety levels and regulatory oversight. (Supports all outcomes)
3. Advocate greater access to global markets for U.S. companies in the transportation sector. (Supports outcomes 1, 4 and 6)
4. Support Presidential initiatives that seek to achieve greater international outreach for transportation programs. (Supports outcome 3)
5. Invest in the capabilities of the Department's international program staff by recruiting a multilingual transportation workforce and developing core competencies in subjects related to international transportation. (Supports all outcomes)
6. Work with international development agencies to provide technical assistance, training, and support for technology transfer to foreign transportation stakeholders such as the *Safe Skies for Africa* and *Third Border* initiatives and the Iraq and Afghanistan assistance programs. (Supports outcome 3)
7. Develop and engage in international science and technology activities and exchanges, such as those led by the Departments of State and Commerce and bilateral cooperative activities such as those with Japan and South Korea. (Supports outcomes 3 and 4)
8. Conduct and sponsor research leading to harmonized international standards, improved cross-border collaboration, and global leadership for U.S. transportation providers. (Supports all outcomes)
9. Provide technical assistance, implement technology exchange, encourage collaboration, and identify opportunities to share resources among border agencies and other key U.S. and international partners. (Supports outcomes 3 and 4)
10. Facilitate the U.S. transportation industry gaining access to international markets through technology exchange and capacity building initiatives around the world, in established and emerging markets (i.e., Latin America, China, India, Japan, Europe, Russia, Kuwait, Iraq and Afghanistan). (Supports outcome 1)
11. Foster the continued development of competent civil aviation authorities worldwide that meet international safety oversight standards. (Supports outcome 3)
12. Work with key international partners to implement safety enhancements that will improve world-wide aviation safety while enabling the transfer of aeronautical products, technologies and services. (Supports outcomes 2 and 4)

STRATEGIES FOR IMPROVING ESSENTIAL INTERMODAL TRANSPORTATION LINKAGES

13. Promote global interoperable seamless operations in cooperation with international partners. (Supports outcome 2)

14. Support and conduct research on issues concerning intermodal and international transportation. (Supports outcome 2)
15. Accelerate the use of technologies such as ITS and space based applications at intermodal connectors, international border crossings and gateways to reduce congestion and streamline freight and passenger movements. (Supports outcome 2)
16. Assure the Department's effective participation in the Administration's *Automated Commercial Environment and International Trade Data System* to improve safety, security and to reduce congestion at ports of entry. (Supports outcome 2)
17. Proactively build freight professional capacity and encourage partner organizations to create coalitions that help integrate freight operations with conventional transportation planning. (Supports outcome 2)
18. Advance institutional protocols to improve integration of transportation concerns in the movement of goods and people at U.S. ports-of-entry. (Supports outcome 2)
19. Advance electronic safety and credentials monitoring to facilitate international traffic flow. (Supports outcome 2)
20. Collaborate with strategic global partners on the implementation of Next Generation Air Transportation System (NGATS) performance-based systems and concepts to ensure harmonization with corresponding international modernization efforts. (Supports outcomes 3 and 5)

PERFORMANCE MEASURES

Table 3 presents the relationship between our Global Connectivity outcomes and the performance measures that will measure our progress toward that goal.

TABLE 3. GLOBAL CONNECTIVITY OUTCOMES AND PERFORMANCE MEASURES

OUTCOMES	PERFORMANCE MEASURES
1. Reduced barriers to trade in transportation goods and services	<u>Reduced Barriers to Trade</u> <ul style="list-style-type: none">- Number of international negotiations conducted annually to remove market distorting barriers to trade in air transportation- Number of new or expanded bilateral and multilateral aviation agreements completed- Number of potential air transportation consumers (in billions) in international markets traveling between the U.S. and countries with open skies agreements- Number of proceedings to award U.S. carriers newly available international route rights
2. Safer, more efficient and cost effective movement of passengers and cargo throughout international and domestic transportation systems, including U.S. ports of entry, modal and intermodal supply chains	<u>Efficient Movement of Passengers and Cargo</u> <ul style="list-style-type: none">- Through 2011, maintain the U.S. St. Lawrence Seaway system and lock availability at 99 percent- Number of freight corridors with an annual decrease in the average buffer index rating. (2011 target TBD)- Travel time reliability at NHS border crossings. (Baselines and 2011 targets to be determined in FY 2007)- Conclude at least eight (new or expanded) bilateral safety agreements that will facilitate an increase in the ability to exchange aviation products and services by 2011
3. Sustained international leadership in promoting U.S. transportation policies	<u>Sustained International Leadership</u> <ul style="list-style-type: none">- Secure a yearly increase of 20 percent in intellectual and financial assistance external funding for international aviation activities from the United States and international government organizations, multilateral banks and industry

TABLE 3. GLOBAL CONNECTIVITY OUTCOMES AND PERFORMANCE MEASURES
(CONTINUED)

OUTCOMES	PERFORMANCE MEASURES
4. Enhanced competitiveness of U.S. transport providers and manufacturers, in the global marketplace	<u>Enhanced Competitiveness</u> - Number of technology/information exchange agreements that promote the U.S. highway transportation industry. (FHWA target is 3 new or expanded agreements by 2011) - Dollar value of overseas contracts awarded to U.S. companies as a result of FTA's promotional activities
5. Harmonized and standardized regulatory and facilitation requirements in the international arena	<u>Regulatory and Facilitation Requirements</u> - Number of countries with improved safety regimes achieved through well targeted U.S. technical assistance - By 2011, expand the use of Next Generation Air Transport System (NGATS) performance based systems or concepts to five priority countries. - Percent of hazmat proposals in which the U.S. prevails in international organizations
6. Expanded opportunities for all businesses in the transportation sector, especially small, women-owned and disadvantaged businesses	<u>Business Opportunity</u> - Percent of total dollar value of DOT direct contracts awarded to women owned businesses - Percent of total dollar value of DOT direct contracts awarded to small disadvantaged businesses